

Knowing of your interest in agriculture issues, I wanted to inform you that today, I introduced H.R. 1747, legislation to provide faster cost recovery under the tax code for equipment and machinery used on farms. Northern California farmers are already dealing with a struggling economy and skyrocketing energy prices – it's critical that we have a tax code that makes things easier for them, not harder. Specifically, the bill would reduce the depreciation schedule for agricultural equipment and machinery from 7 years to 5 years. A five-year recovery period is consistent with the actual lifespan of modern farming equipment as well as the tax treatment of machinery used in other industries such as construction. Congress passed legislation in 2008 to provide for 5-year recovery of investments in farm equipment and machinery, but this provision expired at the end of 2009. My bill would reinstate it as a permanent rule. According to a study by the American Farm Bureau Federation, this bipartisan proposal, which does not add to our nation's long-term deficit, would increase U.S. farm and ranch income by \$800 million in a typical year. I look forward to working toward passage of this important tax relief for American farmers.